

# MADRI WORKING GROUP MEETING #28 – May 7, 2013

## DYNAMIC PRICING

### PECO

2301 Market St., Philadelphia, PA

#### Remote Participation

Web Address: <https://pjm.webex.com>

Meeting Title: Madri

Call-in Toll-free Number: 866-398-2885

Meeting Access Code: 928426

Meeting Password: madri0507rap

**Dynamic Pricing-** As competitive suppliers offer generation services to customers, how do we transition from traditional rate designs to dynamic pricing provided not only by the incumbent utility as part of a Standard Service Offer rate, but also by competitive retail suppliers? How do we allow the competitive market to offer differentiated products? Should the risk assumed by customers who engage in dynamic pricing be reflected in pricing? What are the barriers to suppliers offering dynamic pricing options? What is the level of customer interest across customer classes? Is it a question of rates not being designed to provide enough potential savings to interest customers or is there a problem with outreach to customers regarding dynamic pricing options? This meeting will explore current issues surrounding the implementation of dynamic pricing programs.

## AGENDA

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|------------------------|--|
| <b>9:30 – 10:00am</b>  | <b>Networking</b>  |
| <b>10:00 – 10:15am</b> | <b>Introductions</b><br>The Honorable Lawrence Brenner, Commissioner, Maryland Public Service Commission<br>Janine Migden-Ostrander, Principal, Regulatory Assistance Project  |
| <b>10:15-11:15</b>     | <b>State Updates on Dynamic Pricing and Advanced Metering</b><br>Dan Cleverdon, DC Public Service Commission<br>Eric Matheson, PA Public Utilities Commission<br>Calvin Timmerman, MD Public Service Commission<br>Krystina Schaefer, OH Public Utilities Commission<br><br>Brief state updates regarding recent activity related, directly or indirectly, to dynamic pricing and advanced metering. |
| <b>11:15-12:30</b>     | <b>Landscape for Dynamic Pricing in PJM</b><br>Richard Hudson, ConEdison Solutions<br>Doug Krall, PPL  |

Peter Langbein, PJM

This panel will survey the current landscape and discuss what the opportunities are to use Dynamic Pricing in the PJM market. How do settlements currently work in the PJM market and how would they need to change to better accommodate dynamic pricing? What does peak load contribution (PLC) mean? What opportunities exist for PLC reduction? What opportunities exist for dynamic pricing programs to participate in PJM's Demand Response programs? What changes need to be made to the way information is shared to implement dynamic pricing programs? What kinds of products can the market support? What products can PJM deliver?

**12:30-1:30**

**Lunch and Networking**

**1:30-3:00**

**Opportunities for Competitive Service Providers to Offer Mass Market Dynamic Pricing**

Illinois Commerce Commission

PEPCO

Ronald M. Cerniglia, Direct Energy

This panel will focus on the relationship between the utility and the marketer in terms of delivering dynamic pricing to customers either through a competitive auction to deliver a Standard Service Offer or through retail service offerings. What products do customers want? How can an SSO portfolio be established that includes dynamic pricing options. Can a retail supplier offer dynamic pricing? What are the barriers to suppliers offering additional mass market dynamic pricing programs? Can the current utility billing systems support a dynamic price offered by a retail marketer?

**3:00 – 3:15pm**

**Wrap-Up, Adjournment**

The Honorable Lawrence Brenner, Maryland Public Service Commission

Janine Migden-Ostrander, Regulatory Assistance Project